

STATEMENT OF TOM SEVER

My name is Tom Sever. I am the General Secretary/Treasurer of the IBT. I am also the Acting General President.

I thank the Subcommittee for inviting me to appear. I am appearing voluntarily in response to that invitation.

I understand that the main purpose here today is to explore election officer supervision of the rerun of the 1996 IBT elections.

If the question is whether election officer supervision is a good thing, my answer is yes. The IBT and I support election officer supervision.

Of course, union elections usually are not supervised. Supervision by outsiders is not part of a union's ordinary operation.

But we all recognize that supervision is a useful safeguard. It will increase everyone's confidence in the results of the re-run election.

I understand that the Subcommittee wants to explore who will pay for supervision of the re-run election.

In the 1989 IBT consent decree, the United States Government promised to pay to supervise the 1996 elections. Supervision was not required. The agreement was that the federal government could choose supervision -- but would have to pay for it.

This was part of the bargain struck in the consent decree. That bargain required the Teamsters to pay the cost of supervision of the 1991 elections and the cost of the Independent Review Board. These costs have amounted to tens of millions of dollars -- and they are growing. As its part of the bargain, the federal government was required to pay for supervision of the 1996 elections.

In late 1997, however, Congress passed bills intended to prevent the United States Government from spending any money at all on re-run supervision.

Because of the bills passed by Congress, the election officer was left without a source of funding.

As we all know, the federal court of appeals held that the United States Government is obligated to comply with the promises it made in the consent decree. The federal court said:

"We reject the government's argument that the IBT is directly responsible for causing the rerun."

"The IBT's status as a victim of embezzlement is simply not a violation of the Consent Decree."

"[T]he government must bear the costs it has agreed to."

With these statements, the federal court has made the Government's obligation clear. The court's decision does what the proposed 1997 compromise would have done: eliminate uncertainty and permit us all to get on with an election.

In evaluating what the court said, everyone must recognize that the Teamsters have shouldered a big financial burden with respect to the Teamster elections, including election officer supervision.

In 1991, the Teamsters paid about \$21 million for election officer supervision.

In 1996, the Teamsters paid about \$7 million for election costs, including supervision. The supervision costs included expensive printing costs for the election officer's pages in the Teamster magazine. It also included the cost of renting offices for the election officer and her staff. We are still paying for those offices.

With respect to the re-run, the Teamsters will pay almost \$2 million for offices and magazine printing for the election officer. Therefore, it is wrong for anyone to suggest that the Teamsters will not pay a lot of money for election officer supervision.

I have been asked whether the Teamsters would agree to the proposal made in 1997 to split the costs. In light of the decision of the federal court, things are very different. And everyone has to recognize that the Teamsters are paying millions of dollars annually for oversight.

Does this mean that the Teamsters will pay nothing with respect to supervision of the re-run? Obviously not.

We have already agreed to pay the election officer's rent and to publish the election officer's magazine pages. And we are willing to work with all concerned, including the Congress, to accomplish the important goal of a speedy election.

I know that some Members of Congress do not always agree with our legislative goals or our positions in collective bargaining. But our job is to serve workers.

We have strengthened union democracy. We have promoted reform. We mounted the first successful organizing campaigns at companies like Overnight Transportation. We fought for the future of all working people in contract campaigns like the one last year at UPS and this year on the National Master Freight Agreement. And we have become an effective political voice for working families.

The International Brotherhood of Teamsters is proud of its record.

With that, Mr. Chairman, I am happy to receive your questions.